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Attorneys for UNITED STATES OF AMERICA,
acting on behalf of its Agency U.S. SMALL BUSINESS ADMINISTRATION

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

UNITED STATES OF AMERICA,)	Civil No: CV11 2588 HRL
)	
Plaintiff,)	
)	
v.)	
)	
)	
Arlene Stevens)	
)	
Defendant.)	
)	

AFFIDAVIT OF XONG VANG IN SUPPORT OF REQUEST FOR ENTRY OF DEFAULT

I, Xong Vang, declare:

I am employed as a Loan Specialist for the U.S. Small Business Administration ("SBA"),
an agency of the United States of America, and have personal knowledge of the following
matters. I am assigned to this loan matter (#89985945-08) by SBA and am custodian of records
for this loan file. Based on the loan file:

- 1 1. Capital Access Group (“CAG”), made a 504 Business Loan to TV 32 Digital
2 Ventures, Inc. Corporation (“TV 32” or “Loan”), as evidenced by a promissory
3 note ("Note") dated August 26, 2005, in the original principal amount of
4 \$1,457,000. A true and correct copy of the Note is attached as Exhibit A to the
5 Complaint on file. Defendant Arlene Stevens guaranteed the note as evidenced by
6 the Guarantee (“Guaranty”) dated August 26, 2005 in the original principal
7 amount of \$1,457,000. A true and correct copy of the Guaranty is attached as
8 Exhibit B to the complaint on file.
9
10 2. CAG assigned the Note and Guaranty to SBA.
- 11 3. CAG/SBA made the Loan pursuant to Section 504 of the Small Business Act,
12 15 U.S.C. §636 *et seq.*, to provide funds for the purpose of purchase of the real
13 estate located at 1010 Corporation Way, Palo Alto, CA 94303. The Note was
14 secured by Deed of Trust¹ on that real property.
15
16 4. The Note states that in the event of default in the payment of any installment or of
17 principal and interest when due, or in the performance of any obligation under the
18 Note, the holder may, at its option and without notice, declare all or any portion
19 of the principal and interest immediately due and payable.
20
21 5. TV 32 failed to make the Note payment due on or about February 1, 2009 and has
22 failed and refused to make any subsequent payments on the Note. TV 32 filed
23 bankruptcy shortly thereafter, Case No. 09-58098.
24
25
26

27 ¹ A true and correct copy is attached as Exhibit C to the Complaint on file.

1 6. TV 32 defaulted under the Note by failing to make payments despite SBA's
2 demand. SBA has accelerated the entire balance due under the Note. True and
3 correct copies of the letters dated December 21, 2010 are attached as Exhibit D to
4 the Complaint.

5
6 7. Senior lienholder Sterling Savings Bank (the "Bank") commenced both judicial
7 and non-judicial foreclosure against the real property. Subsequently, the Bank
8 completed or is about to complete its non-judicial foreclosure of the real property
9 on May 31, 2011. I am informed and believe from David Simmons from CAG,
10 that no monies have been received by CAG from this foreclosure despite his
11 repeated demands for any excess proceeds, if any. SBA as yet has received no
12 monies from the foreclosure sale by Bank, successor in interest by merger to
13 Sonoma National Bank.

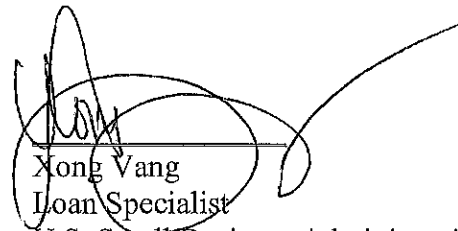
14
15 8. Attached as Exhibit A to this Declaration is a true copy of the Certified Statement
16 of Account, as of November 16, 2011, defendant owes SBA the following
17 amounts:

18		
19	\$ 1,356,016.27	Principal
20	\$ 3,089.20	Recoverable Expenses
21	\$ 219,128.35	Accrued & Purchase Interest
22	\$1,578,233.82	Total
23	\$ 209.15	Per diem interest accrual after 11/16/11

24 9. From this Certified Transcript of Account, as of November 16, 2011, the
25 principal amount owing SBA is \$1,359,105.47, (which includes recoverable
26 expenses of \$3,089.20) accrued interest as of November 16, 2011 of
27 \$219,128.35, and daily interest of \$209.15 thereafter until the date of judgment.

1 Under Federal law I declare under penalty of perjury that the foregoing information is
2 true and correct based upon personal knowledge. If called to testify as a witness, I could and
3 would do so.
4

5
6
7
8
9 Dated: November 16, 2011


Xong Vang
Loan Specialist
U.S. Small Business Administration